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## **Medicaid Provider Payments Sent on Time**

### *KHPA Now Urges Lawmakers to Count Stimulus Funding Before Making More Cuts*

(TOPEKA) – The Kansas Health Policy Authority announced today that payments to Medicaid providers were distributed on time this week, thanks in part to the State Finance Council’s decision to issue certificates of indebtedness to shore up the State General Fund. The regular weekly payments were distributed via electronic fund transfers Wednesday night.

With that short-term funding issue now resolved, KHPA Executive Director Marcia Nielsen is urging lawmakers to refrain from making additional cuts to the agency’s budget until money from the recently-passed federal stimulus package arrives.

In a letter to the Senate Ways and Means Committee, Nielsen said that without the stimulus money, meeting the committee’s reduction target of a 10-percent cut in SGF spending would force actions that would ultimately reduce access to health care for Medicaid beneficiaries. Those cuts would be in addition to the cuts included in the Governor’s revised FY 2009 budget.

According to Nielsen, there are only three ways to meet such a target: reducing the number of people eligible for Medicaid; reducing the services beneficiaries receive; or reducing the amount that health care providers are paid for their services.

Nielsen noted that Kansas already has one of the lowest eligibility rates for adults in the country (about 30 percent of poverty level). Reducing eligibility would disqualify the state from receiving the additional Medicaid funding in the stimulus package. She stated further that the services provided under Medicaid in Kansas are essential to providing comprehensive health care. And cutting reimbursement rates is likely to cause providers to either stop accepting Medicaid or reduce the number of Medicaid patients they serve. Revenue flowing to Kansas from the federal stimulus package may easily negate the need to make any of those cuts in the upcoming fiscal year.

(more)

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KHPA estimates that under the stimulus package – officially known as the American Recovery and Reinvestment Act (ARRA) – the Kansas Medicaid program will receive \$440 million over three fiscal years. That includes \$207 million in State Fiscal Year 2010. Of that, approximately \$109.6 million will be paid to KHPA for medical services provided under Medicaid. The remainder will be distributed to SRS and the Department on Aging for Medicaid services those agencies administer. (Please refer to attached fact sheet )